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(Original Signature of Member)

116TH CONGRESS
1ST SESSION

H. R. _____

To amend the Higher Education Act of 1965 to require an institution of higher education to submit a teach-out plan under certain circumstances, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. SHALALA introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Higher Education Act of 1965 to require an institution of higher education to submit a teach-out plan under certain circumstances, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop College Closures
5 Act of 2019”.

1 **SEC. 2. REQUIREMENTS FOR ACCREDITING AGENCY REC-**
2 **OGNITION.**

3 Section 496 of the Higher Education Act of 1965 (20
4 U.S.C. 1099b) is amended—

5 (1) in subsection (c)—

6 (A) in paragraph (2), by inserting before
7 the semicolon at the end the following: “or de-
8 cline”;

9 (B) by amending paragraph (3) to read as
10 follows:

11 “(3) requires an institution to submit for ap-
12 proval to the accrediting agency or association a
13 teach-out plan upon the occurrence of any of the fol-
14 lowing events—

15 “(A) the Secretary notifies the agency or
16 association that the Secretary has determined
17 under section 498(c) that the institution does
18 not have the financial responsibility required by
19 this title;

20 “(B) the Secretary notifies the agency of a
21 determination by the institution’s independent
22 auditor expressing doubt with the institution’s
23 ability to operate as a going concern or indi-
24 cating an adverse opinion or finding of material
25 weakness related to financial stability, except

1 that this subparagraph shall not apply with re-
2 spect to a public institution;

3 “(C) the agency or association acts to
4 place an institution on probation, show cause,
5 or equivalent status; or

6 “(D) the Secretary notifies the agency that
7 the institution is participating in title IV under
8 a provisional program participation agree-
9 ment;”;

10 (C) by amending paragraph (6) to read as
11 follows:

12 “(6) requires that teach-out agreements among
13 institutions are subject to approval by the accred-
14 iting agency or association consistent with standards
15 promulgated by such agency or association, and that
16 such an agreement shall be required and subject to
17 such approval upon the occurrence of any of the fol-
18 lowing events:

19 “(A) the Secretary notifies the agency or
20 association that—

21 “(i) the Secretary has placed the in-
22 stitution on the reimbursement payment
23 method pursuant to section 487(c)(1)(B);
24 and

1 “(ii) the institution fails to meet cri-
2 teria prescribed by the Secretary regarding
3 ratios that demonstrate financial responsi-
4 bility as described in section 498(c)(2);

5 “(B) the Secretary notifies the accrediting
6 agency or association that the Secretary has
7 initiated—

8 “(i) an emergency action against the
9 institution pursuant to section
10 487(c)(1)(G); or

11 “(ii) an action under section
12 487(c)(1)(F) to limit, suspend, or termi-
13 nate the participation of the institution in
14 any program under this title;

15 “(C) the accrediting agency or association
16 acts to withdraw, terminate, or suspend the ac-
17 creditation of the institution;

18 “(D) the institution notifies the accrediting
19 agency or association that the institution in-
20 tends to cease operations;

21 “(E) the institution notifies the accrediting
22 agency or association that the institution in-
23 tends to close a location that provides one hun-
24 dred percent of at least one program; or

1 “(F) pursuant to section 495, the State
2 notifies the accrediting agency or association
3 that an institution’s license or legal authoriza-
4 tion to operate within the State has been or will
5 be revoked;”;

6 (D) in paragraph (8), by striking “and” at
7 the end;

8 (E) in paragraph (9)(B), by striking the
9 period at the end and inserting “; and”; and

10 (F) by adding at the end the following:

11 “(10) responds to complaints received with re-
12 spect to an institution during the period during
13 which the accrediting agency or association accredits
14 such institution not later than 30 days after receiv-
15 ing the complaint (including complaints shared with
16 the agency or association by the Secretary or a State
17 agency under section 495), monitors and assesses an
18 institution’s record of student complaints during
19 such period, and submits such complaints to the
20 Secretary and to the State agency involved.”.